



Douglas County Internal Audit

June 5, 2015

Douglas County Board of Commissioners
1819 Farnam Street, Suite LC2
Omaha, NE 68183

Attention: Mary Ann Borgeson, Mike Boyle, Jim Cavanaugh, Clare Duda, Marc Kraft,
PJ Morgan, and Chris Rodgers

Dr. Adi Pour, Director, Douglas County Health Department
1111 South 41st Street
Omaha, NE 68105

Dear Commissioners and Dr. Pour:

I have completed a performance audit of operations of the Retail Food Program of the Douglas County Health Department. The purpose of the audit was to determine if the Food and Drink Section of the Health Department was adhering to the food safety rules outlined in the Nebraska Food Code and its own internal policies and procedures. The audit revealed that overall, the Retail Food Program is following the Food Code and its own policies. However, opportunities to improve its operations were identified. Specific issues and recommendations for improvement appear in the Findings section below.

Background

The Nebraska Department of Agriculture contracted with the Douglas County Health Department to conduct inspections of retail food establishments according to the Nebraska Pure Food Act and the Nebraska Food Code. Establishments within the City of Omaha are also subject to Omaha's local ordinances for retail food operations. The direct expenses of the department's Retail Food Section's operations are fully funded by the fees collected from the businesses it inspects.

There are nine inspector positions (one is currently vacant). Each of the inspectors is assigned a particular territory and a number. One inspector is assigned to schools and non-profits. The inspectors are all registered with the State of Nebraska as Environmental Health Specialists or are required to obtain the designation within two years of hire. For inspection scheduling, the department uses a risk-based system based upon by the type of operation. The system was modeled after one designed and used by the Nebraska State Agriculture Department. See the attachment at the end of this report for details regarding risk rating assignments and the inspection intervals related to each risk type.

The inspection forms and scheduled inspection listings are forwarded to the department by the Nebraska Department of Agriculture. The lists and forms are distributed to the inspectors who are responsible for scheduling the inspections using the risk-based system. The department has very detailed written policies and procedures for and form preparation and conducting the inspections.

The inspectors assign a rating based upon the inspection results. Each establishment receives a rating as shown below:

Superior - The establishment understands and routinely corrects sanitation deficiencies on a day-to-day basis and does not wait for a health inspection before doing so. In addition, at least 75 percent of employees and management of a superior food establishment must have successfully completed a food safety training course conducted by this department, or its equivalent.

Excellent - The establishment routinely corrects most sanitation deficiencies and immediately corrects the minor violations found at the time of inspection.

Standard - The establishment generally corrects most sanitation deficiencies on a routine basis and corrects violations found at the time of inspection in the time allowed by the inspecting health officer.

Fair - The establishment barely meets minimum standards required by state and local food safety codes. Serious and minor sanitation deficiencies are found on each inspection. Sanitation deficiencies are not corrected on a routine basis and repeat inspections are often a necessary part of regulating these establishments to help assure minimum food safety conditions.

The ratings for each food establishment inspected are published on the Health Department website.

In addition to scheduled inspections, the department investigates food operations when complaints are received. All health related complaints are taken seriously and investigated in a timely fashion. The same type of inspection is conducted for a complaint as for routine inspections.

Objective

The objectives of the audit included determining that:

- The department has a means to measure the achievement of strategies and goals it has set for itself.
- There is adequate tracking in place to ensure that all inspectors' licensing and training is up-to-date.
- The inspections follow Nebraska Food Code requirements and city of Omaha ordinances.
- Documentation supports the ratings given to establishments.

- Inspections are occurring on a regular basis according to Nebraska Food Code Requirements and internal policy.

Scope

The scope of the audit covered the period January 2014 through March 2015.

Methodology

The information used by Internal Audit was obtained through analysis of written policies and procedures, interviews of staff, physical observation, and data and reports obtained from the department and the state of Nebraska websites. The tests included but were not limited to the following steps below:

- The department has a means to measure the achievement of strategies and goals it has set for itself.
- 40 inspections were selected to determine if the forms were properly prepared and the ratings were supported by the inspection results.
- The ratings listing was analyzed to determine if inspections were occurring on a regular basis according to the department's risk-based model.
- Ratings by inspector were analyzed to determine if inspection outcomes indicated that there was a consistent, standardized inspection process in place.
- The process to track inspector licensing was examined to determine if there was adequate tracking in place to ensure that all inspectors' licensing and training was up-to-date.
- The new digitized system was reviewed to determine its capabilities to produce meaningful management information.

Findings

Complaints

Criteria: Internal Health Department policies state that the Food and Drink Section will ensure that food-related complaints are investigated on a timely basis.

Condition: Currently there is no systematic process for tracking complaints to verify that all complaints received have also been resolved. The Inspections' Administrative Assistant receives all complaints whether emailed via the Health Department's website or through other means (e.g., phone, letter, etc.). Emailed complaints are stored on a complaint folder in the Administrative Assistant's Google email work account. The other complaints received are recorded on index cards and filed. There is no listing that includes all complaints received or a systematic follow-up process to see that each and every complaint received is resolved on a timely basis.

Effect: The County cannot provide complete assurance that each and every complaint is investigated and resolved in a timely manner. If a valid complaint is not investigated in a timely

manner, it could put the establishment's customers and workers at higher risk of a contracting a foodborne illness.

Cause: The Health Department has not considered it a priority to establish a systematic process for monitoring the investigation complaints.

Recommendation: It is noted that the new Digital Health Department software includes a Complaints module. Ensure that all the Complaint Summary reports are reviewed by management to ensure that all complaints are being resolved in a timely and satisfactory fashion. Document the reviews and incorporate valid complaints into the risk model being used to schedule inspections.

Management Response:

The Environmental Health Division is currently implementing Digital Health Department Inc.© government process management software. We expect to "go live" on or about July 1, 2015. The Digital Health Department Software "dashboard" (display window interface) has a list of system tools. Among those tools is a "Complaint Center" tool. By selecting the "Complaint Center" tool any user can monitor and generate complaints by "Type", the inspector it was "Assigned To", and the "Complaint Status."

As soon as we "go live," all complaints will be entered into the "Complaint Center" module of Digital Health Department government process management software. Supervisors will develop and conduct weekly queries of the data and report a weekly summary of all complaints received, resolved and outstanding each week. Supervisors will be able to monitor complaint status by date received, date investigated, and whether it is pending, was dropped, resolved, or referred to another agency. It will be the Supervisor(s)' responsibility to make certain that all complaints are addressed in a timely fashion.

NOTE: The Health Department delayed the purchase of an electronic inspection management system as, for approximately 5 years, the Nebraska Department of Agriculture had repeatedly stated its intention to implement a state-wide system that would ultimately be made available to local health departments at no charge. After waiting patiently for several years, DCHD made a decision to move forward on the purchase and implementation of its own system - as the need for such a system was readily apparent and further delay was neither prudent nor responsible.

Inspection Intervals

Criteria: The Food and Drink section schedules inspections using a risk-based model developed by the Nebraska Department of Agriculture. Inspection intervals were established for each risk rating. The establishments are assigned risk ratings based primarily on the establishments' type of operation (e.g., manufacturing, grocery retail, fast food, etc.). See Attachment I at the end of the report for details as to how risk ratings are assigned. The risk ratings and the related inspection intervals developed for the model follow:

High – Inspected once every 180 days
Medium – Inspected once every 365 days
Low – Inspected once every 545 days

Additionally, § 8-401.20 of the Nebraska Food Code requires that a regulatory authority using a risk model consider and conduct more frequent inspections based upon its assessment of seven factors, including an establishment’s past performance.

Condition: The interval between the date of the most recent rating list provided on 4/24/15, and the date of the establishments’ last inspection was analyzed for both the sample tested and for the entire population of establishments by inspection rating. The inspection interval was exceeded for 15% of the sample selected for testing - 6 of 40. These six exceptions exceed the requirement per the risk-based model by an average of 97 days. Five of the establishments had a High risk rating; one had a Medium rating. Five of the six had a Standard inspection rating; one had a Fair rating. (The entire population could not be analyzed by their assigned risk rating because it was not available in a digitized format.)

The interval between inspections for all establishments was analyzed per the inspection ratings received. The results are shown in the table below:

| Inspection Rating | Approximated Inspection Interval (Days) |
|-------------------|---|
| SUPERIOR | 331 |
| EXCELLENT | 401 |
| STANDARD | 362 |
| FAIR | 399 |

The establishments with Superior ratings were being inspected with the greatest frequency. It was noted that the majority of establishments receiving Superior ratings are schools which have a Medium risk and would need to be inspected every 365 days. The establishments with the lowest rating, Fair, had an inspection interval virtually the same as those receiving Excellent ratings.

Effect: The Department may not have met the requirements of the Food Code and its policy goal of inspecting establishments according to the risk model. The fact that the majority of the establishments that did not meet the required interval per the sample tested were High risk and had only Standard or Fair inspection ratings add to the potential seriousness of the finding.

The overall analysis by inspection rating indicates that the same resources are being devoted to establishments with Excellent ratings as those with a Fair rating. The model requires that the inspection results be taken into account along with the type of establishment. Not following the

inspection intervals may lead to an increased the risk of foodborne illness to the customers and workers of the establishments.

Cause: The department is currently down the services of two inspectors. (One position is vacant and one inspector is still being trained. Inspectors in the training phase are not allowed to conduct inspections on their own until all training requirements are met.) Management did not analyze the actual inspection intervals in relation to their risk and inspection ratings.

Recommendation: Hire staff to fill the vacant position. Divert more resources to establishments with lower inspection ratings. Develop management reporting to measure interval requirements.

Management Response:

Management recently re-posted the vacant inspector position. (Two candidates from the original posting were offered the position, but they turned it down.) The vacant position will be filled as soon as possible.

Management will develop and implement a plan that contemplates the conduct of inspections on a more frequent basis based upon its assessment of the seven factors as set forth in the Food Code, including an establishment's past performance.

However, it must be pointed out that shorter inspection intervals, in and of themselves, do not necessarily result in better inspection scores. Indeed, a recent study found that the contrary is true. (Walters, AB; VanDerslice, J; Porucznik, C. et al. *The Effect of Follow-up Inspections on Critical Violations Identified During Restaurant Inspections*. **J Environ Health**. 2015; 77(10):8-12.)

To that point, DCHD will also be proposing major changes to the Omaha City ordinances, with one proposal being mandatory training for all restaurant staff. It is believed that if this proposal is adopted, it will likely have a positive impact on the scores (which will ultimately result in the need for less frequent inspections).

With the implementation of the Digital Health Department software, DCHD will be able to capture and analyze data and then adjust its inspection practices accordingly.

Inspection Ratings

Criteria: The Health Department has adopted a policy goal of meeting the Food and Drug Administration's Voluntary National Retail Food Regulatory Program Standard # 2. One of the goals to achieve from the standard is having trained staff that will conduct accurate and uniform health inspections for Douglas County. To that end, all inspectors are "standardized" on a periodic basis by review internally by a senior inspector or Supervisor and externally by a State inspector.

Condition: The inspection ratings given to each establishment were analyzed by inspector. The individual inspectors' ratings were analyzed and compared to the average ratings for the

department as a whole. The ratings of the inspector assigned to schools and non-profits were not included so that the average would not be skewed on the high end – schools have consistently earned Superior ratings. On average, excluding the school inspector, inspectors assigned an Excellent rating 56% of the time. One of the inspectors assigned Excellent ratings 85% of the time. This is significantly out of the expected range. The other inspectors' ratings were 3 to 11% points from the average.

Effect: Some establishments may have received a rating higher than deserved.

Cause: While the conduct of the inspections is standardized, the results of the inspection are subjective in that each inspector has a certain amount of discretion in interpreting the Code and rating scale. Absent details to explain the rating anomaly, all inspections may not have been uniformly graded. Absent details to explain the rating anomaly, all inspections may not have been uniformly graded.

Recommendation: Create systematic reporting to analyze and monitor performance of the department as a whole as well as by inspector. If necessary, provide additional training and oversight to the inspector that rated establishments outside of the normal range.

Management Response:

First it is important to point out that while the inspections are standardized and thus uniformly conducted, there is some amount of subjective discretion in the ratings. Second, the fact that one inspector's scores were higher than others does not necessarily mean that he/she is rating the location "easier" than others might have.

Notwithstanding same, Management will develop and implement a plan that monitors staff performance. With the implementation of the Digital Health Department software, the ability to capture and analyze such performance data is significantly enhanced. Management will also consider more frequent "in-house training sessions" and/or internal standardization reviews if appropriate.

Management Reporting

Criteria: Health Department management should have established policies and procedures in place to effectively monitor the food inspection program.

Condition: The reporting module for the new digitized retail food inspections system as currently set-up is very rudimentary and does not provide for ad-hoc reporting that would provide more meaningful management reporting.

Effect: Health Department management may not have the reporting tools necessary to provide effective monitoring of departmental operations.

Cause: The system is not normally set-up to accommodate ad-hoc reporting by user.

Recommendation: Determine if ad-hoc reporting tools are available within the new digitized system. If ad-hoc reporting is not available, require the vendor to provide the means to obtain reports including the ability to download appropriate files to develop your own reporting using currently available applications such as Microsoft Access.

Management Response:

Digital Health Department Software “dashboard” (display window interface) has a list of system tools. Among those tools is a “Reporting and Analysis” tool. By selecting this tool any user can generate preprogramed report documents.

Current pre-programed reports include “Common Violations”, “Complaints”, “Employee Productivity”, “Inspection Summary” and “Permit Summary.” If other routine reports are needed, those reports will also be added.

In addition, supporting “ad hoc” data requests was expressly contemplated in the contract.

The Digital Health Department software is not only a way to streamline the work for the inspectors, it is a management tool that will allow for detailed analysis of data that can be used to monitor performance, facilitate strategic planning, and guide future standards, procedures and goals. As with any new database tool, it will take time to acquire a sufficient amount of data to allow for meaningful analysis. As its functionality is explored, the need for “ad hoc” reports should arise.

Audit Standards

Internal Audit conducted this audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives. This report was reviewed with the Director, Douglas County Health Department and the Supervisor of Environmental Health.

Internal Audit appreciates the excellent cooperation provided by the department’s management and staff. If you have any questions or wish to discuss the information presented in this report, please feel free to contact me at (402) 444-4327.

Sincerely,

Mike Dwornicki
Internal Audit Director

cc: Paul Tomoser
Jude Lui
Richard File
Larry Figgs
Timothy Kelso
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Thomas Cavanaugh
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Joe Lorenz
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Attachment I – reprinted from Risk Model provided by Douglas County Health Department.

HIGH-MEDIUM-LOW RISK BASED DEFINITIONS

High Risk Establishment (Inspected once every 180 days)*

A food establishment that prepares and/or serves potentially hazardous food in which preparation includes, but is not limited to, cooking, mixing, chopping, freezing, or otherwise changing the food.

or

A food establishment that prepares, cooks, cools, stores (usually more than four hours), and reheats foods for service at a later time. Full-Service Restaurant

or

An Establishment that historically exhibits poor sanitation and food handling practices and procedures.

Medium Risk Establishment (Inspected once every 365 days)*

A food establishment that has limited food preparation activities, such as cook-to-order foods, "Fast Food" Restaurants and/or establishments that do not hold food for over four hours.

Food processing plants and grocery retail food stores would be considered a medium risk establishment.

Low Risk Establishment (Inspected once every 545 days) *

A food establishment that handles only prepackaged low risk foods, where no food preparation occurs, (other than reheating prepackaged foods) food storage warehouse, bakery, drink only bar, coffee shop and convenient store.

*An establishment may be moved from one category to the next, based on changes in food preparation service or the increase/decrease of sanitation standards. The Sanitarian has the authority to place an establishment in the category he/she feels appropriate based on the assessed risk and sanitation history.